

Star Valley Ranch Association
Board of Directors Meeting
August 16, 2018
7:00 p.m.
SVRA Cookshack

Ron Denney: Chairman – Present
Jere Kovach: Vice Chairman – Present
Donna Thompson: Treasurer – Present
Fran Moore: Secretary – Present
George Toolson: Director – Present
Marsha Combe: Director – Present
Robert Meikle : Director – Present

Call to order: Chairman Denney called the meeting to order at 7:00 p.m. and called for the Pledge of Allegiance.

Chairman Denney recognized special guest, Mayor Kathy Buyers and Councilman Boyd Siddoway.

1. Adopt Agenda:*

- Vice Chairman Kovach made a motion to adopt the agenda.
Director Toolson seconded the motion.
Motion passed unanimously.

2. Approval of Minutes for July 2018 Board Meeting.*

- Secretary Moore made a motion to approve the July 2018 Board of Directors Meeting Minutes as written.
Director Combe seconded the motion.
Motion passed unanimously.

3. Standing Committee & Special Reports:

A. Chairman's Report: Chairman Denney gave the following report:

I want to issue a plea for volunteers. You will see on the agenda that we have two motions to add people to the Utilities Committee and the Finance and Legal Committee.

We also need members to take the lead in organizing clubs and activities. The only way we will be able to have activities is for people interested in Tennis, Pickleball, Hiking, Photography, Texas Hold 'em, and Quilting Club to stand up and take responsibility for organizing these committees. Once we have a committee recognized, then representatives of the committee will be able to petition for time in those facilities and for support from Association funds and budget. This Board can't take the lead and organize all of your activities for you.

Member Marcus Christensen showed his interest in joining the Finance and Legal Committee.

Chairman Denney shared that there is a motion on the agenda stating that we are adding people to the committee, but he is welcome to come to the meetings and participate.

Director Meikle stated there were plenty of openings on the Utilities Committee. Currently we have only found one person and we will be making a motion to approve him, but we do have more openings.

B. Finance & Legal Committee Report: Vice Chairman Kovach gave the following report:

I have two motions for this evening. The first one is a motion to approve a variance from the \$500.00 transfer fee for Rusty Kunkle and Maria Simental. They have transferred their deed with their names to a trust with their names on the trust. So it's identical owners in each case.

- Vice Chairman Kovach made a motion to approve this variance.
Director Toolson seconded the motion.
Motion passed unanimously.

Member Marcus Christensen asked that if someone was to move into the Ranch and buy a house or lot then five years later they go to an attorney and have all of their estate work done and put it under a trust. Do they have to come before this Association to have this changed?

Chairman Denney answered that at this point the policy is for all changes. This is the third request for a variance so we will be taking steps to revise the policy to recognize that particular change. At this point, the answer is yes, you would need to come before the Board for the variance.

- Vice Chairman Kovach made a motion to approve the four members of the Finance and Legal Committee for the counting months; Mike Blackman, Ann Earl, Bob Saunders, and Ron Thacker.
Director Combe seconded the motion.
Motion passed unanimously.

C. Golf & Greens Committee Report: Director Toolson gave the following report:

Aspen Hills and Cedar Creek Golf Courses continue to be in excellent condition especially considering we have not had any measureable rain for most the summer this far. Goes to show the dedicated staff on Kurt Richmond's Golf Course Maintenance crew is top of their game to keep these courses as nice as they are. So far we have still had adequate irrigation water from Green Canyon, and have not had to fire up the well on Cedar Creek.

The Annual Simplot Tournament takes place tomorrow, followed by the Salt River Motors "SPONSOR" Tournament next Friday the 24th. The Salt River Motors Scramble format is the last available tournament open to the public for this season. There are still openings available so get your 4-person team together, and sign up soon... really soon. Ladies and Men's Associations are also playing their respective "Club Championships" beginning Monday the 20th, through Thursday the 23rd.

Golf data collected as of August 13th show total rounds up from 10,981 in 2017, to 12,034 this year. That equates to a gain of \$26,755.68 in golf revenue over last year through the 13th.

Go out and hit a golf ball before "Mother Nature" changes her attitude and starts throwing "White STUFF".

D. House & Entertainment Committee Report: Director Combe gave the following report:

August 10th was the "Movie in the Park", which we cancelled due to us feeling it was a conflict with the County Fair in Afton.

August 11th was the Community Garage sale - We had about 20 addresses on the map and there were approximately 140 maps picked up. It was very successful. It is always a good time to find treasures and meet your neighbors.

September 8th is our "Happy Trails" Chili cook-off with a band. Everyone needs to get their name on the list to enter their Chili!

E. Utilities Committee Report: Director Meikle gave the following report:

Bob Lujan had designed and determined the location for the new pickle ball courts, being located at the end of the runway. They will be completed for play next spring. We are going to make a motion to approve Bob Lujan as a committee member.

Member Marcus Christensen asked what this Committee does that the public works of the Town doesn't already do.

Director Meikle answered that they do a number of things. We have our own wells, we have our water lines, we have right a ways, surveys, anything of that nature. The water lines on the golf course have nothing to do with the Towns jurisdiction.

Member Marcus Christensen shared his concern about fence permits.

Treasurer Thompson stated that it is normal for an HOA to have a permit application process.

- Director Meikle made a motion to approve Bob Lujan.
Treasurer Thompson seconded the motion.
Motion passed unanimously.

F. Architectural Control Committee Report: Director Meikle gave the following report:

We just have one landscaping permit, two new homes, and one front porch. We did have a summary for the first six months and we are way ahead from where we were in 2017.

G. SVRA Cedar Creek Center Progress Update: Director Thompson gave the following report:

If you haven't already noticed, there's a big hole just west of the barn! Yes, we have finally started construction of the silo replacement facility! We held a ground-breaking ceremony July 23 and were delighted to see roughly 200 members attend this exciting event and show their support for the project. It will certainly be a great asset for all members of this Ranch. While we haven't seen the contractors there since the hole was dug, it was because a necessary structural/engineering change was needed after excavation of the ground was complete. Rest assured; crews will be back working diligently to help us complete the project.

To recap a couple of important facts, I want to again state that we are able to complete this project using funds held in reserve by the Association along with new loan proceeds. We do not need to ask for a Special Assessment, nor are we looking to increase your annual dues above what is allowed in the DCCR's. Roughly \$56 of your annual dues will cover the loan payment, that's a small amount for a new, modern facility we can all be proud of. We will still have reserves of over \$250,000 in the Association accounts and will continue to deposit a portion of your annual dues to that account for future needs, maintenance and repairs.

I'm sure many of you already know, but we feel it is our responsibility as a Board, to inform you that once again, Bill Daley and Jerry Kittleson have filed a lawsuit against the Association. We received a copy of the Complaint and Summons from Attorneys Holland & Hart two (2) days after our ground-breaking ceremony. Essentially, they are asking the court to stop the funding for the Barn/Silo remodel project, ban your friends and non-lineal family members from using Star Valley Ranch owned recreational facilities, and demanding return of annual dues they paid that they claim were in excess of the allowable annual increase. We will once again be spending some of our precious Association reserve dollars to answer the Summons and defend the lawsuit. The Board has also decided to hire another attorney to assist Jim Sanderson and Frank Hess in the defense. We feel it is our duty to aggressively fight for our members on this matter. We do feel it will be in the best interest of the Association and its members to also discuss with our counsel the possibility of Mediation. It is still our hope that these two members, Daley and Kittleson, will come to their senses and understand the value this project brings to all the members of this Association, withdraw their lawsuit and become part of the progress of this Ranch, not remain as problem causers. Three of us on the board, Marsha, George and I have had several meetings with Bill Daley over the last two years regarding the silo replacement facility. He always indicated he was in favor of the project so long as we built it big enough, so we redesigned the building to make it bigger. He also said we should take out a longer term loan than what we indicated we were looking at, so I have to admit that I am very confused about their decision to file the lawsuit and especially to file it after construction on the replacement facility was already in progress. In light of the lawsuit, repairs and upgrades to the barn will be put on hold indefinitely until we see how much of our funds are needed to defend the lawsuit.

On advice and upon approval from our current Attorneys, we will be issuing a press release regarding the lawsuit which we intend to have printed in the Star Valley Independent. So many of our residents don't receive the weekly e-mails that the Association office sends out and we feel publishing the press release will help better communicate to the local membership what is going on in their community.

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A full copy of the Summons can be found on our website. That address is www.svrawy.com.

Member Dick Johnson shared his concern about not having a vote and asked why we feel we are not violating the By-Laws.

Treasurer Thompson stated that the reason we feel we are not in violation is because we aren't asking for a special assessment. Within our DCC&R's, our By-Laws, Articles of Incorporation it states that the Board is authorized to spend money to repair and replace facilities as needed, and to borrow money. We are a Board that is working on behalf of our Members. We are not going to put this Association in a financial bind. We are building a building that is necessary and right for us and our Members to have. We do not feel like we are in violation because we don't need a special assessment and we aren't raising your dues. We are not asking for anything.

Member Dick Johnson stated that we are borrowing money for this project.

Treasurer Thompson continued saying that we are borrowing money and we have the authority to do that.

Member Marcus Christensen asked which bank financed this loan and who the loan officer is.

Chairman Denney answered that the Bank of Star Valley financed the loan and the loan officer was Sharon Walker.

Member Marcus Christensen stated that it has come to his attention that they have stopped the loan proceeds and are not going to allow any withdrawals and have contacted an attorney to look into the actions of this association.

Chairman Denney stated that it's only partially true. They aren't going to authorize their money, but \$800,000.00 of our money is going up first. They won't release any money until the Summons has been taken care of.

Member Marcus Christensen shared his concern about legal issues and this Summons.

4. General Manager's Report: General Manager Booker gave the following report:

Account Statements:

All bank accounts have been reconciled for July without discrepancy.

Assessments:

2009 Lawsuit through 2016: 21 Lots unpaid (1.04%).

2017 Assessment Status: 1971 Lots (97.77%) paid in full.

2018 Assessment Status: 1875 Lots (93.01%) paid in full.

2017 Assessment Collections:

The attorney initially sent out a total of 62 notices. 6 properties are currently on payment plans, 35 properties have paid in full, and 1 property has filed bankruptcy. 20 lots remain in our active legal collection process. Those 20 properties have all received notice of default.

Business Activities:

An overview of SVRA Financials finds the July Gross Profit at 102.2% and Total Expense at 93.6% resulting in year-to-date Net ordinary income prior to depreciation at

116.0% of budgeted levels. The YTD cash assets (7/31/2018 Balance Sheet) Total \$1,658,004.62. The summary of the financials are, as always, available on the SVRA website.

DCC&R Compliance:

This month we have 3 active DCC&R Complaints, one complaint has just been sent the friendly reminder, one complaint has been turned over to the SVRA attorney for further action, and one has gone to court and continues to clean up their property.

Barn/Silo Redevelopment:

There have been zero funds spent since the July Board meeting on the Barn Redevelopment and Cedar Creek Center.

Golf:

I am happy to announce that the high school has returned to Cedar Creek Golf Course. They held a tournament with several other teams at Cedar Creek today.

Facilities:

Cedar Creek Swimming Pool open swim times for the remainder of the 2018 season are as follows:

Open: August 16-21 12 pm – 6 pm
Closed: August 22-24
Open: August 25-26 12 pm – 6 pm
Closed: August 27-31
Open: September 1-3 12 pm – 6 pm
Closed for the season beginning September 4th.

We had 326 participants in swimming lessons this year.

We have had a great staff at the pool this year. We have had exceptional water quality at the pool this year thanks to the diligent efforts of the lifeguards and pool attendants. The lifeguards have recorded 10 saves this year.

The Forest Service property located just north of the barn has been cleaned up. The rest of the asphalt, concrete and brush will be cleaned up Monday at the latest as requested by the Forest Service. We remain in contact with the Forest Service about the construction of the new facility and the temporary use of the horseshoe for construction.

General Manager Booker stated that the Star Valley High School posted their Annual Tournament here today. It's great to have the high school back at Cedar Creek.

Director Toolson added that it included Teton County, and Sublet County. There were a whole bunch of school buses.

Fourth of July:

After all numbers came in for the fourth of July Celebration, the Association ended up with a profit of \$724.85. As far back as I can remember, we have not ended up in the black on this fun celebration. Thanks to everyone who continues to support this event.

Thank you:

Whitney has decided to move to Logan and go back to school. Her final day at Star Valley Ranch Association will be August 31st. I would like to thank Whitney for her hard work and dedication over the past year. She has been the friendly face everyone has enjoyed at the front desk. I believe I speak for everyone at SVRA in wishing her lots of luck on her next adventure.

I would also like to take the time to thank the SVRA Board of Directors for their hard work. They VOLUNTEER many hours of hard work to try and make this Association one that every member should be proud of.

5. Old Business: None stated.

6. New Business:

Member Ann Earl shared her appreciation for the Board of Directors and all of the staff. She also shared her appreciation for all of the volunteers that help with all of the events in Star Valley Ranch.

7. For the Good of the Order:

Director Meikle took a minute to express his gratitude toward the Board of Directors. He continued to say that he ran for the election because when we got to the deadline, we only had six people signed up for a seven person Board.

He stated, "I've been on the Board for three years and watched the Board operate with just six people and it is very difficult. So last minute I gathered up twelve signatures and I decided to run again. I was elected for the Board, then shortly after I ran into a fellow named Byron Baker. After getting to know him, I decided to sign up and run with him for Lincoln County Commissioner. We have been in the process now for about two months and I have been on this Board for about two and a half months. After running for Lincoln County Commissioner, I don't know if I'm going to be elected in the primary. I have found that there are a lot of people who think it's a conflict of interest for me to be on this Board and to be Lincoln County Commissioner. I have asked my attorney about it and he doesn't think there is any conflict of interest. I don't think I would be able to give all of my effort to the Board as a County Commissioner. Under those circumstances, I offer my resignation. I want to thank the current Board for the hard work they have done. I believe that it would be a much better decision to do it now than to do it in November because there is plenty of time and still a lot of energy going on before everybody leaves. Director Meikle showed his appreciation to the audience who have given their kind service to our community."

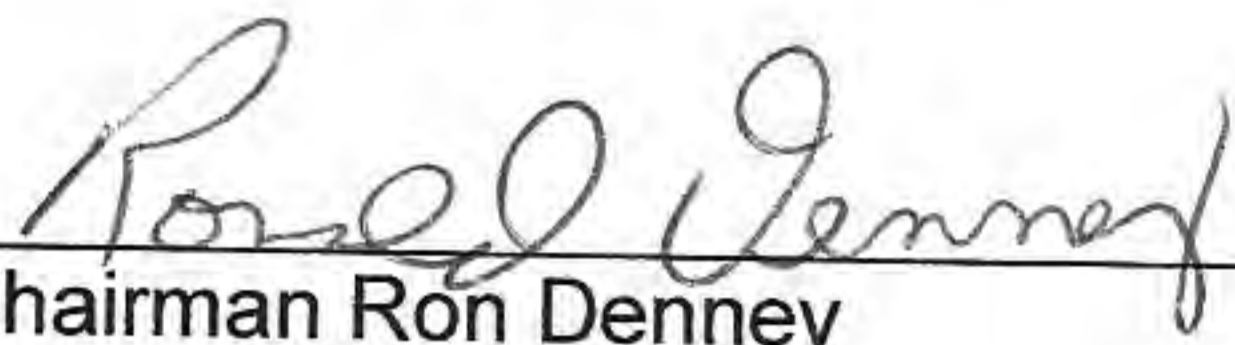
Chairman Denney stated that with this news, we will initiate a process to appoint for the rest of the term. First thing we will do is we will have applications if you want to be considered. We will hold interviews then we will vote for a new Board member at the next Board of Directors Meeting.

Treasurer Thompson asked whether it would it be to finish the term or just this year.

Chairman Denney stated that it would only be this year.

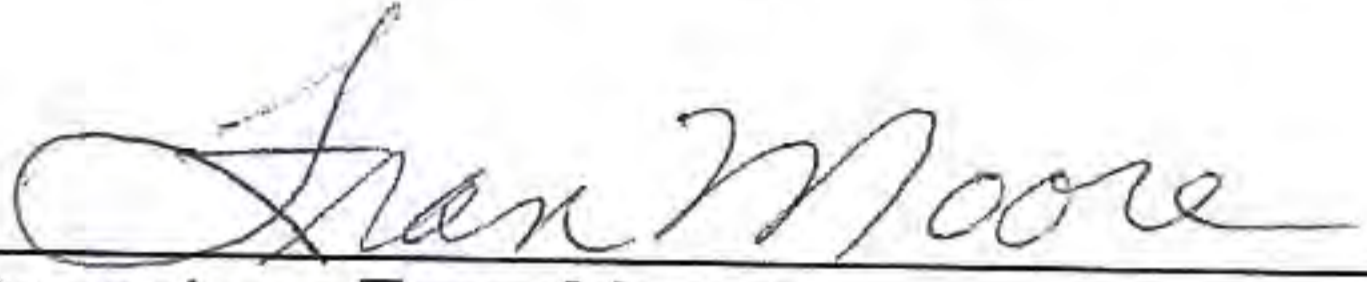
8. Adjournment:

- Director Toolson made a motion to adjourn.
Secretary Moore seconded the motion.
Motion passed unanimously at 8:01 p.m.

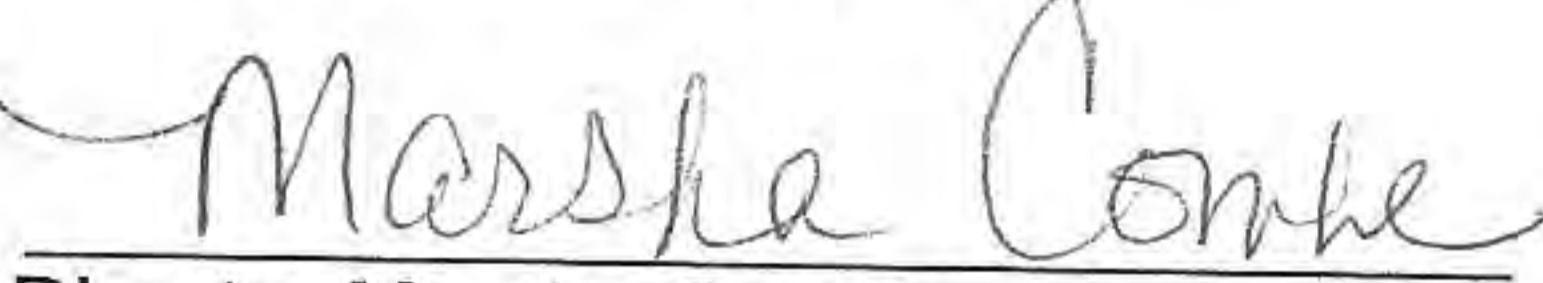

Chairman Ron Denney

N/A
Vice Chairman Jere Kovach

(Approved via teleconference)
Treasurer Donna Thompson


Secretary Fran Moore


Director George Toolson


Director Marsha Combe

N/A
Director Robert Meikle